Minutes of the January 9, 2012 Meeting of the UCLA Communications Board

Board members present: Thomas Atkins, John Bollard, Nancy Calderon, Brent Gaisford, Lys Mendez, Erik Peña, Raiyaan Serang, Michael Sondheimer, George White, Arvli Ward

Board members arriving late: Jennifer Frehn

Board members absent: Jodi Levinson, George Pierce

Guests: Lauren Jow (DB Editor in Chief), Alexa Smahl (DB Managing Editor), Jose Hernandez (BL Editor in Chief)

I.   Call to order (Serang)
Serang called the meeting to order at 5:40 p.m.

II.   Approval of the agenda (Serang)
Gaisford moved to approve the agenda. Mendez seconded the motion. The motion passed by unanimous consent.

III.   Approval of November minutes (Serang)
Ward corrected the November minutes to reflect that the meeting date was November 7 instead of November 11. Bollard moved to approve the corrected minutes. Gaisford seconded the motion. The motion passed by unanimous consent.

IV.   Executive Committee Report (Serang)
Serang said he did not have a report. He would be planning a meeting with Ward during the month to discuss details of the strategic plan.

V.   Operations Committee Report (Gaisford)
Gaisford said he'd planned to schedule a meeting with the editors to discuss student groups.

VI.   Finance Committee Report (Peña)
Peña said the Finance Committee met in both November and December and they discussed hiring a limited appointment staff member to sell the new digital products. Serang asked when a decision might be made. Ward said he wasn't sure, but it would address the subject in more detail during item IX on the agenda.

VII.   Media Director's Report (Ward)
Ward said he would proceed to discuss the Communications Board November financial statements.

Discussion Items

VIII.   November Communications Board Financial Statements (Ward)

Ward said the Finance Committee had not reviewed the statements, but he wanted to go over them briefly with the board because it would provide some background the next item on the agenda.

Ward said November income was about $14,735 less than plan. Budgeted revenue was $166,436 while actual revenue was $151,701. Budgeted expense was $184,848 while actual expense was $182,675 for a savings of $2,173. There were savings in Wages, which were $9,855 under budget and Printing, which was $3,501 under budget. These savings were spent on Professional Services, which was $8,404 over budget. Plan was a loss of $18,412 but the actual loss was $30,974, which meant Net Revenue was $12,562 less than plan. Year-to-date Net Revenue was budgeted at $60,503, but actual net revenue was $55,706, which was $4,797 less than plan.

Cash reserves stood at $131,000, but current cash as of the meeting date was $228,000. There was a PLEDGE fee deposit made after the statements were published. The current cash balance was better than last January, which was $212,000.

December Estimates
Ward estimated December revenue would be about $81,000. Budgeted revenue was $87,000 for an estimated $6,000 negative variance. Last December revenue was $79,561, so revenue may be better this year than last year, but still short of the budget.

IX.   Half-year Communications Board Progress (Ward)
Ward said he felt it was important at the half year to address work in progress. Ward was the board's responsibility to oversee the current strategic direction. Ward said he hoped to show that the strategies were working and outline the continuing challenges.

Ward said the current costs of development were covered by current cash flow.

Ward outlined the strategic development benchmarks:
-   Build staff to populate large database of local businesses
-   Build database of local businesses
-   Build products using the database: search
-   Build products using the database: mobile apps for local business
-   Build products using the database: mobile guide apps
-   Build database of campus entities (Bruinwalk)
-   Build products using the campus database: mobile apps for campus groups
-   Build and launch student group apps
-   Sell client apps service
-   Sell guide apps advertising
-   Sell student group app network advertising
-   Franchise system

Ward said that development on Local Research has been ongoing for the past 24 months and that the platform was designed to spawn a number of products. In the middle phase, it was aimed at providing search engine-optimized micro sites for local businesses. Now the project then moved on to supporting mobile apps Ward said.

Gaisford said he believed the student group apps would be very popular but only if they had the ability to message through the app. Ward said a blog and comment system was built into the apps will allow the ability to write to apps. Serang asked if the apps would be free to the university. Ward said all apps would be free to users.

Ward said the last stage of the strategy was to franchise the system. He said Oklahoma State Daily O'Collegian was using the AdSalesEngine and the Daily Tar Heel at the University of North Carolina was using Local Research and the AdSalesEngine.

Ward said the current development targets for the month of January were to build the Bruinwalk guide apps backend, a commenting system, an authentication system, and various AdSalesEngine improvements. Ward said that development expense should be less for the month of January. Ward said that the AdSalesEngine had promise in terms of revenue, especially if could become a social network for college newspaper sales staff. Ward said he thought it was a $100,000-a-year business from software-as-a-service fees and advertising.

Ward said the challenges to building new sources of revenue was building a staff capable of selling digital products, the capital required to build them, and his time. Ward said sales were slow as sales reps and the sales manager became better able to articulate the value proposition of the new products to local merchants who did not understand the products. Peña said that the Finance Committee had discussed hiring full-time limited appointment sales person to sell new digital products. Peña said that professional sales reps may have more mobility to demonstrate apps in the field. Ward said that his time was critical since the organization moved to the degree that he had time to move it. He said he'd spent almost all of his time developing the technical infrastructure, which was probably a full-time position in itself, and he needed more time to work with sales. Ward said if there was more capital to devote to development, Local Research might have been developed more quickly which would leave more time for improving sales. Ward said he planned to devote more time to selling the enterprise platforms to other schools. Gaisford asked if Jeremy Wildman could help Ward. Ward said Wildman needed to focus on keeping print sales up. Atkins asked if there was a way to have photographers or videographers act as runners instead of using the sales reps. Ward said he didn't feel that would solve the problem because it would not address the student's lack of time to sell the apps. Sondheimer asked if there was a way to have a video of the apps that could be emailed to the client, then follow up with the client for closing the deal. Ward said such a video already existed

Bollard said it sounded like the financial piece of the project was not in the forefront and it should be. He said the board had a fiduciary responsibility in regards to what had been spent, and he felt there was no business plan in place that showed how and when the investment would be recovered. Ward said this project cost $73,000 during the first year, $107,000 during the second year, and year-to-date about $50,000, which totaled about $230,000. The $230,000 that was spent built the Local Research database, Bruinwalk database, the app building platform, the AdSalesEngine, and the server infrastructure.

White asked Ward if there was a way to track how much traffic each business would receive in the guide apps. Ward said they did not have analytics installed. White said he felt that analytics was the key to digital marketing and asked Ward what his timetable was for getting the analytics. Ward said that the marketing was based on downloads, and not page views within the apps. Downloads were currently being tracked, but not page views. White said if Ward would track page views and specific businesses, one would probably do really well and Ward could use that business's testimonial. Serang said he agreed with White, that it would be a better selling pitch to tell a client how many people are viewing the pages versus how many downloads there were. Ward said either by the end of this quarter or the beginning of next quarter analytics would be implemented.

Calderon asked Ward if there would be light version of apps if clients did not want to purchase the full service. Ward said that he believed it could double costs by requiring two versions to be built.

Bollard wanted to revisit the idea of hiring professional sales staff to sell the apps. Ward said it needed more study, but was anxious to experiment with the idea. He felt we could get more sales hours and bridge the knowledge gap more easily. Ward said that resources were so thin that he wasn't sure when or how it could be implemented. Sondheimer asked if Ward felt there would be enough revenue generated by next year to hire a full time person. Ward said that he hoped so.

Ward said that the experience of building the kiosks as a product may be similar to what was currently being attempted with the apps business. Three years ago, the department fired its professional sales partner and began to build up the sales force and other elements required to successfully sell the kiosks. Today after three years, revenues are more than four times what they were when the sales partner was fired. Ward said the board had to watch the Local Research strategy closely and determine if it should continue to invest in it. Ward said that if the board decided to discontinue the current course or if Local Research failed, the board would have to reconsider the "Plan B – Plan to Develop Student Management" in response to the inevitable decline of print revenue.

X.   Adjourn (Serang)
White moved to adjourn the meeting. Bollard seconded the motion. The motion passed by unanimous consent. The meeting adjourned at 7:10 p.m.

Submitted by Doria Deen